



PROGRAM UPDATE

Office of Worker and Community Transition

United States Department of Energy

July - September 1999

SECRETARY RICHARDSON NAMED ROBERT DEGRASSE NEW PRINCIPAL DEPUTY FOR DEFENSE PROGRAMS OPERATIONS

On September 17, 1999, Secretary of Energy Bill Richardson named Robert W. DeGrasse to the new position of Principal Deputy Assistant Secretary for Operations within the Department of Energy's Office of Defense Programs. Bob DeGrasse will provide day-to-day operational oversight, guidance and coordination of the nation's nuclear weapons research, development and production facilities.

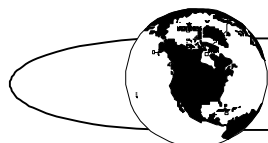
SECRETARY RICHARDSON NAMED GARY KING DIRECTOR OF THE OFFICE OF WORKER AND COMMUNITY TRANSITION

On September 17, 1999, Secretary of Energy Bill Richardson announced that Gary K. King will become the Director of the Office of Worker and Community Transition. Gary King has been serving as Policy Advisor to the Department of Energy's Assistant Secretary for Environmental Management. He replaces Bob DeGrasse.

"In his role as a policy advisor, Gary King has acquired first-hand familiarity with the communities where the Energy Department has operations, together with his knowledge and understanding about the strengths of these communities and the people who live in them, make him the perfect choice for this position," Secretary Richardson said. "I'm pleased that Gary will continue to serve as part of our leadership team in this capacity."

In his new role, King will be responsible for developing departmental policies and programs to plan for and mitigate the impacts of changing conditions on the workers and communities affected by departmental mission changes. This Office will also continue to provide the departmental focal point for addressing labor issues and directing resources to stimulate economic development.

Before joining the Department of Energy, King served as the Corporate General Counsel and Senior Environmental Lawyer for Advanced Sciences, Inc. His responsibilities included general legal matters, including risk assessment and liability coverage, business practices, protection of information, public policies, and government regulations, with emphasis on environmental and management issues.



VISIT US AT OUR WEB ADDRESS AT:
[HTTP://WWW.WCT.DOE.GOV](http://www.wct.doe.gov)



King also served six terms in the New Mexico House of Representatives where he was Chair of the Consumer and Public Affairs Committee.

He holds a B.S. degree in Chemistry from New Mexico State University and a Ph.D. in Organic Chemistry from Colorado University. King earned his law degree at the University of New Mexico.

WORK FORCE RESTRUCTURING ACTIONS

WORK FORCE REDUCTIONS AT Y-12 PLANT

On August 18, 1999, the Department of Energy authorized Lockheed Martin Energy Systems, its operating contractor for the Y-12 Plant in Oak Ridge, to proceed with plans for a work force restructuring in the new fiscal year, which begins Oct. 1. At the same time, Deputy Secretary T.J. Glauthier stressed that Y-12 will remain “a key, long-term partner in the Department’s Stockpile Stewardship program.”

Out of 5,359 employees at Y-12, Lockheed Martin has identified approximately 300 positions that will be eliminated to improve efficiency and eliminate lower priority work. The company, in conjunction with the Department, is assessing whether up to an additional 300 job reductions may be required based on final action on the Department’s FY 2000 budget. These additional positions could include exempt managers, maintenance personnel, environmental safety and health workers, technical personnel and administrative support personnel.

As part of the plans, the engineering, quality assurance and environment, safety & health organizations at Y-12 will be restructured to reflect the changes in Lockheed Martin Energy Systems; continuous improvement programs have identified opportunities for improvement in the services area; and reductions will be made in infrastructure maintenance.

In order to proceed with necessary work force changes expeditiously, and as a result limit the impact of any funding shortfalls, potential reduction-in-force (RIF) notices were issued to 468 workers in August. A total of 23 notices have to-date been withdrawn based on the ongoing evaluation by the contractor.

Workers have been given an opportunity to separate voluntarily (and by so doing, avoid the need for an involuntary separation) and receive a payment equal to what they would receive for severance pay. To date, 229 workers have indicated a willingness to voluntarily separate and a matching process is being conducted to determine which participants can be accepted. It is anticipated that most applications will be approved.

The contractor, in consultation with the Department, is currently considering enhancements to the voluntary separation program in order to increase participation and better meet restructuring objectives. Any enhanced benefits will be provided to all volunteers in this restructuring.



Efforts also will be made to place separating workers in available positions at the site. Contractors will begin this process immediately in order to minimize the number of workers who may have to be separated based on existing funding.

Workers subject to RIFs have been given 60-day advance notices. They will receive severance payments based one week's pay for each year of service. Outplacement, medical plan extension and education assistance also will be provided.

ANNOUNCEMENT OF INVOLUNTARY SEPARATIONS AT THE KANSAS CITY PLANT IN MISSOURI

On August 25, 1999, AlliedSignal, the Department of Energy's contractor at the Kansas City Plant in Kansas City, Missouri, announced a work force restructuring action involving involuntary separation of between 50 and 70 employees.

The restructuring initiated to date is consistent with the President's budget submission and potential Congressional action on the FY 2000 appropriation. Defense Programs is assessing whether reductions of up to another 115 to 135 employees may be required based on the FY 2000 appropriations. This action is also consistent with the site's work force restructuring plan issued on October 6, 1998.

WORK FORCE RESTRUCTURING PLAN FOR PORTSMOUTH AND PADUCAH

The Office of Worker and Community Transition is coordinating the development of a draft work force restructuring plan for Portsmouth, Ohio and Paducah, Kentucky. Discussions took place with Congressional delegations on August 31, 1999. The focus of the plan addresses contingencies for work force restructuring that may occur after expiration of the current agreement between the U.S. Enrichment Corporation and the Treasury Department limiting separations at the two plants through June 30, 2000.

POTENTIAL WORK FORCE REDUCTIONS AT YUCCA MOUNTAIN IN NEVADA

On September 16, 1999, the Nevada Operations Office advised the Office of Worker and Community Transition that TRW, the management contractor at Yucca Mountain, has begun actions to address a reduction of approximately 92 positions, based on final action on the FY 2000 budget. Based on contractual provisions, 120-day notices of potential reduction-in-force have been provided to workers, and efforts are underway to assign at-risk workers to vacant positions.

COMMUNITY TRANSITION ACTIVITIES

PINELLAS COUNTY INDUSTRIAL COUNCIL AND EASTERN IDAHO ECONOMIC DEVELOPMENT COUNCIL RECEIVED INTERNATIONAL RECOGNITION

The Council for Urban Economic Development (CUED) honors outstanding achievements in the field of economic development through its internationally recognized awards program. This year,



32 awards were given to individuals, projects, and programs that have had a significant impact on their communities and provide a model to the industry. The awards were presented at the 1999 CUED Annual Conference in Chicago on July 12, 1999, entitled "Partnerships for Community Renaissance."

A key award is the Economic Development Program Silver Award which was given to Pinellas STAR Center in Largo, Florida. The Pinellas STAR Center is the result of a truly successful economic development program. The STAR Center is a complete transition from a U.S. Department of Energy's (DOE) weapons plant to a commercially-viable Center supporting science, technology and research. When DOE closed its operation in Largo at the end of 1997, fewer than 200 people were working at the site. The 24 businesses and other organizations now residing at the Center will employ appropriately 1,600 people by the end of 1999.

The success resulted from the extraordinary efforts of the local Congressional representative, the Pinellas County Industry Council (PCIC), a strong coalition of stakeholders and DOE officials. The DOE provided funding for the transition through a cooperative agreement between DOE and PCIC. The agreement included the purchase of the plant by the PCIC for reuse by businesses and other organizations that would effectively use the highly-skilled personnel previously employed at the plant and the high-technology equipment donated by the DOE. The transfer of the site was three years ahead of schedule and allowed the DOE to save more than \$29 million in operating costs. Total DOE financial support to the STAR Center is currently at \$10 million which equates to less than \$6,000 for each job created or retained at the site. Lease income from full occupancy will make the STAR Center self-supporting by the year 2000.

Another key award is the Economic Development Promotion Gold Award which was given to the Eastern Idaho Economic Development Council (EIEDC) in Idaho Falls, Idaho. The EIEDC was formed in 1995 and recognized by the DOE as a Community Reuse Organization in order to mitigate the impacts of downsizing at the Idaho National Engineering Laboratory (INEL). As a private, nonprofit organization, the EIEDC was charged with formulating and executing a strategic plan to attract businesses to the region and to assist local businesses in expansion that will employ displaced INEL workers.

EIEDC's top priority is to stay in close contact with investors. At the same time, the EIEDC makes it a priority to communicate with local businesses through press releases, local speaking engagements, direct mail campaigns, an annual meeting, and advertising in the local media. Marketing to prospective new businesses from outside the community also is a priority.

The Council, with Department of Energy's assistance, has achieved more than 1,700 jobs in the region with new firms. Being flexible and having the most updated demographic and statistical information for the region, the Council has been able to respond quickly to many community development needs: the start-up of a downtown development program, an arts economic impact study, and an events center feasibility study. The ability to communicate effectively to the right audiences has made all the difference in the Council's effectiveness in these efforts.

A panel of judges comprised of worldwide leaders in economic development evaluated approximately 100 submissions. Emphasis was placed on innovation in the field, implementation,



and partnerships. To achieve proper parity, communities were divided into those with populations over 200,000 and those under. Awards were given in the following categories: Public Private Partnerships, Economic Development Program, Marketing and Promotion, Print Advertising, Marketing/Promotional Video, Marketing/Promotion via Internet, and Export Trade.

REID AND HOFFA, JR. ANNOUNCED TEAMSTERS TRUCK DRIVER TRAINING PROGRAM AT THE NEVADA TEST SITE

On September 9, 1999, in Washington, DC, U.S. Senator and Assistant Minority Leader Harry Reid, International Brotherhood of Teamsters (IBT) General President James Hoffa, Jr., and Deputy Secretary T. J. Glauthier unveiled a new program that will train commercial truck drivers at the Nevada Test Site (NTS) in a partnership between the IBT and the Department of Energy.

"Establishing a school at the Nevada Test Site to train commercial truck drivers will promote economic diversification and will benefit the community by providing career training for former test site workers, members of Teamsters local 631 and other individuals interested in earning a commercial driver's license," Senator Reid said.

As a member of the Senate Appropriations Committee, Senator Reid was instrumental in establishing the Nevada Test Site Development Corporation (NTSDC), which aims to attract new businesses to the facility 65 miles northwest of Las Vegas. The \$1.2 million grant to establish the Nevada Test Site Truck Driver School was provided through the Department of Energy's Office of Worker and Community Transition, which funds retraining and other programs to assist former NTS workers and communities in Nevada.

"This is a partnership that benefits everyone involved: the local Teamsters who will provide the driver training, communities in the area who will gain economically, and those in search of new career skills - especially displaced test site workers. There is a growing need, both at the test site and in the private sector, for licensed commercial truck drivers. Having properly trained operators behind the wheel is also important for highway safety, especially in instances where hazardous materials are involved," Senator Reid said.

The Nevada Test Site Truck Driver School will train operators for a commercial license which is required to operate any vehicle which carries more than 16 passengers, transports hazardous materials or with a gross weight of more than 26,000 pounds. Training is open to any interested individuals, regardless of union membership, with displaced former test site workers being given special consideration under the program.

LABOR AND COMMUNITY REUSE ORGANIZATION WORKSHOP HELD IN SEPTEMBER 1999

The Department of Energy's Office of Worker and Community Transition held a labor and Community Reuse Organization (CRO) Workshop on September 15, 1999, at Bally's Las Vegas Hotel in Las Vegas, Nevada. Approximately 70 people attended representing local labor unions, Executive Directors or Chairpersons of the CROs.



The meeting addressed organized labor interest in community development activities that may directly affect their members through employment and training opportunities. The Workshop focused on successful labor and CRO programs, opportunities for funding worker training initiatives and revisions to the draft *Policy and Planning Guidance for Community Transition Activities*.

A summary of the workshop will be developed and mailed to all participants as soon as possible. If you did not attend the Workshop and would like a copy of the summary, please contact Clara M. Foster at 202-586-5881 or E-mail us from our website at www.wct@doe.gov.

LABOR RELATIONS

Collective bargaining for the 4th quarter of 1999 includes:

Kansas City

Allied Signal and International Assoc. of Machinists

Argonne

University of Chicago and Internal Assoc. of Machinists

Pittsburgh Naval Reactors

Bechtel Jacobs and Metal Trades Council

Bechtel Jacobs and United Plant Guard Workers of America Bechtel Jacobs and
United Steel Workers



REQUEST FOR PUBLIC DOCUMENT(S)

Name: _____

Organization: _____

Position: _____

Street address: _____

City and state: _____

Zip code: _____

Phone: _____

Fax: _____

E-mail/Internet address: _____

DOCUMENT REQUESTED

1. _____
2. _____
3. _____
4. _____
5. _____

FAX OR MAIL TO:

Ms.Clara M. Foster
Office of Worker and community Transition, WT-1
U. S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585
(202) 586-1540 (FAX)

--

Ms. Clara M. Foster
Office of Worker and Community Transition, WT-1
U. S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585
(202) 586-1540 (FAX)